

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN

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U.S. DISTRICT COURT  
EASTERN DISTRICT - WI  
FILED

2022 NOV 30 P 3:16

UNITED STATES OF AMERICA,

2022 DEC -6 P 3:16

CLERK OF COURT

Plaintiff,

**22-CR-252**

v.

Case No. 22-CR-

MATTHEW BROWNDORF,

[18 U.S.C. §§ 664 & 669;  
26 U.S.C. § 7202)]

Defendant.

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INDICTMENT

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THE GRAND JURY CHARGES THAT:

Allegations Common to All Counts

1. At times relevant to this indictment:

*Defendant and Related Entities*

- a. The defendant Matthew Browndorf ("Browndorf") managed and controlled Plutos Sama, LLC ("Plutos Sama"), a Delaware limited liability company. Browndorf was Plutos Sama's Chief Executive Officer.

- b. On July 27, 2016, Plutos Sama agreed to purchase J Peterman Legal Group Ltd., a law firm specializing in foreclosure law based in the State and Eastern District of Wisconsin.
- c. On August 18, 2016, J Peterman Legal Group Ltd. was converted to and organized as J Peterman Legal Group LLC.
- d. On November 4, 2016, J Peterman Legal Group LLC was renamed BP Peterman.
- e. In addition to BP Peterman, Plutos Sama owned other subsidiary law firms throughout the United States.

*The Employee Pension Benefit Plan and Health Care Benefit Program*

- f. Plutos Sama maintained the Plutos Sama, LLC 401(k) Plan, an employee pension benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974.
- g. Employees of Plutos Sama and BP Peterman who resided in the State and Eastern District of Wisconsin participated in the Plutos Sama, LLC 401(k) Plan.
- h. Plutos Sama maintained the Plutos Sama Employee Services, LLC Medical Plan, a "health care benefit program" as defined by 18 U.S.C. § 24(b).

- i. Employees of Plutos Sama and BP Peterman who resided in the State and Eastern District of Wisconsin participated in the Plutos Sama Employee Services, LLC Medical Plan.

*Federal Tax Requirements*

- j. Under federal law, an employer is required to collect payroll taxes, which include federal income taxes, Social Security taxes, and Medicare taxes, from the wages paid to its employees and to pay over these taxes to the United States through the Internal Revenue Service ("IRS"). The taxes withheld from wages paid to employees are commonly referred to as the "trust fund" portion of payroll taxes.
- k. An employer is also required to pay additional payroll taxes to the IRS in an amount equal to the employees' Social Security and Medicare taxes. Because these taxes match the employees' share of Social Security and Medicare taxes, they are referred to as the "matching" portion of payroll taxes.
- l. Federal law further requires an employer to file quarterly tax returns (Forms 941) with the IRS reporting the total wages paid to its employees during the quarter and the corresponding payroll taxes due and owing to the United States. These quarterly returns must be filed by the last day of the month following the end of the quarter in question.

m. Browndorf was responsible for:

- i. collecting, accounting for, and paying over to the IRS the federal income taxes, Social Security taxes, and Medicare taxes withheld from the wages paid to the employees of Plutos Sama and BP Peterman;
- ii. paying over to the IRS the “matching” portion of payroll taxes owed by Plutos Sama and BP Peterman;
- iii. directing remittances into employee pension benefit plans maintained by Plutos Sama and BP Peterman; and,
- iv. directing remittances into employee health benefit programs maintained by Plutos Sama and BP Peterman.

**COUNT ONE**  
(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

2. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

3. On or about April 30, 2017, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$45,144.63 in "trust fund" payroll taxes that were due and owing to the United States of America for the first quarter of 2017, which ended March 31, 2017.

All in violation of Title 26, United States Code, Section 7202.

**COUNT TWO**  
(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

4. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

5. On or about July 31, 2017, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$93,524.05 in "trust fund" payroll taxes that were due and owing to the United States of America for the second quarter of 2017, which ended June 30, 2017.

All in violation of Title 26, United States Code, Section 7202.

**COUNT THREE**

(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

6. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

7. On or about October 31, 2017, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$89,955.13 in "trust fund" payroll taxes that were due and owing to the United States of America for the third quarter of 2017, which ended September 30, 2017.

All in violation of Title 26, United States Code, Section 7202.

**COUNT FOUR**  
(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

8. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

9. On or about January 31, 2018, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$94,222.95 in "trust fund" payroll taxes that were due and owing to the United States of America for the fourth quarter of 2017, which ended December 31, 2017.

All in violation of Title 26, United States Code, Section 7202.



**COUNT FIVE**  
(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

10. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

11. On or about April 30, 2018, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$31,323.56 in "trust fund" payroll taxes that were due and owing to the United States of America for the first quarter of 2018, which ended March 31, 2018.

All in violation of Title 26, United States Code, Section 7202.

**COUNT SIX**

(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

12. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

13. On or about July 31, 2018, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$31,237.59 in "trust fund" payroll taxes that were due and owing to the United States of America for the second quarter of 2018, which ended June 30, 2018.

All in violation of Title 26, United States Code, Section 7202.

**COUNT SEVEN**

(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

14. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

15. On or about October 31, 2018, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$33,879.29 in "trust fund" payroll taxes that were due and owing to the United States of America for the third quarter of 2018, which ended September 30, 2018.

All in violation of Title 26, United States Code, Section 7202.

**COUNT EIGHT**

(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

16. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

17. On or about January 31, 2019, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$33,169.03 in "trust fund" payroll taxes that were due and owing to the United States of America for the fourth quarter of 2018, which ended December 31, 2018.

All in violation of Title 26, United States Code, Section 7202.

**COUNT NINE**

(Willful Failure to Collect and Pay Over Tax)

**THE GRAND JURY FURTHER CHARGES THAT:**

18. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

19. On or about April 30, 2019, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

who was required to collect, account for, and pay over federal income taxes, Social Security taxes, and Medicare taxes from the total taxable wages of the employees of BP Peterman, did willfully fail to truthfully account for and pay over to the IRS \$12,688.32 in "trust fund" payroll taxes that were due and owing to the United States of America for the first quarter of 2019, which ended March 31, 2019.

All in violation of Title 26, United States Code, Section 7202.

**COUNT TEN**

(Embezzlement From Employee Pension Benefit Plan)

**THE GRAND JURY FURTHER CHARGES THAT:**

20. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

21. From on or about January 1, 2018, through on or about December 31, 2018, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

with fraudulent intent, did unlawfully and willfully embezzle, steal, abstract, and convert to his own use, and the use of another, approximately \$4,796.37, which were moneys and funds of the Plutos Sama, LLC 401(k) Plan, an employee pension benefit plan subject to Title 1 of the Employee Retirement Income Security Act of 1974.

All in violation of Title 18, United States Code, Section 664.

**COUNT ELEVEN**  
(Embezzlement From Health Care Benefit Program)

**THE GRAND JURY FURTHER CHARGES THAT:**

22. The allegations set forth above in paragraph one are hereby incorporated in support of the following charge as if set forth in full here.

23. From about on or about January 1, 2018, through on or about December 31, 2018, in the State and Eastern District of Wisconsin,

**MATTHEW BROWNDORF,**

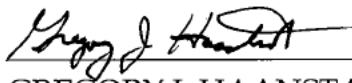
with fraudulent intent, did knowingly and willfully embezzle, steal, misapply, and convert without authority to the use of a person other than the rightful owner, and intentionally misapplied, approximately \$4,493.50, which were funds of the Plutos Sama Employee Services, LLC Medical Plan, a health care benefit program as defined in Title 18, United States Code, Section 24(b).

All in violation of Title 18, United States Code, Section 669.

A TRUE BILL:

FOREPERSON

Date: December 6, 2022

  
GREGORY J. HAANSTAD  
United States Attorney